IN THE UNITED STATES DISTRICTCOURT

FOR THE WESTERNDISTRICT OF MICHIGAN
SOUTHERN DIVISION

Civil Action No.

LAUREN PREVEC, an Ohio Citizen;
JANNETTE PREVEC, an Ohio Citizen; and FRANK PREVEC,
an Ohio Citizen,

Plaintiff,

v.

NARCONON FREEDOM CENTER, INC.; ASSOCIATION FOR BETTER LIVING AND EDUCATION INTERNATIONAL; NARCONON EASTERN UNITED STATES; NARCONON INTERNATIONAL, and DOES 1-100, ROE Corporations I – X, inclusive,

Defendants.

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Jeffrey P. Ray (P31098)
Attorneys for Plaintiff
JEFFREY P. RAY, P.C.
2500 Lake Lansing Road, Suite A
Lansing, MI 48912
(517) 372-5700
jeff@otisraylaw.com

Plaintiffs Lauren Prevec, Jannette Prevec, and Frank Prevec("Plaintiffs"),through counsel, JEFFREY P. RAY, P.C., allege the following:

I.

PARTIES

1. Plaintiffs Lauren Prevec, Jannette Prevec, and Frank Prevecwere, and at all relevant times to this Complaint are residents of Ohio.

2. Defendant Narconon Freedom Center, Inc. (hereafter "NFC"), is, and at all times relevant to this Complaint was, a corporation incorporated under the laws of, and with its principal place of business in, the State of Michigan. NFC has been at all relevant times transacting business in Albion, Michigan.

3. Defendant Narconon International ("NI") is a California corporation with its headquarters in Los Angeles, California.

4. NI is the principal and licensor of Defendant NFC. NI exercises control over the time, manner, and method of NFC's operations.

5. NI was doing business in the State of Michigan by and through its agent and licensee Defendant NFC.

6. NFC and NI are agents of the Association for Better Living and Education ("ABLE"). ABLE oversees the drug rehabilitation, education, and criminal justice activities of the Church of Scientology including, but not limited to, NFC and NI.

7. Defendant ABLE is a corporation registered in the State of California with its headquarters in Los Angeles, California.

8. ABLE controls the time, manner, and method of NI's and NFC's businesses by actively managing their daily operations, including conducting inspections of Narconon centers and creating, licensing, and approving their marketing materials.

9. ABLE transacts business in the State of Michigan by and through its agents, Narconon International and Narconon Freedom Center.

10. Defendant Narconon Eastern United States ("Eastern") is a corporation registered in the State of Virginia with its headquarters in Clearwater, Florida.

11. Eastern controls the time, manner, and method of NFC's business by actively managing its daily operations, and creating and approving their marketing materials.

12. Eastern transacts business in the state of Michigan through its agent, NFC.

13. Plaintiffs are unaware of the true names and capacities, whether individual, corporate, associate, or otherwise, of Defendant DOES 1-100, inclusive, and, therefore, sues these Defendants by fictitious names. Plaintiffs will seek leave of this Court to amend this Complaint when the identities of these Defendants are ascertained.

II.

JURISDICTION AND VENUE

14. This Court has subject jurisdiction pursuant to 28 U.S.C. § 1332. The amount in controversy exceeds $75,000.00, and there is complete diversity between the parties.

15. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(a) because a substantial portion of the events and omissions giving rise to this lawsuit occurred in this District, and the Court has personal jurisdiction over each of the parties as alleged throughout this Complaint.

III.

FACTUAL ALLEGATIONS

14. On or about May 15, 2012, Plaintiff Jannette Prevec was looking for a drug rehabilitation facility for her daughter, Plaintiff Lauren Prevec.

15. Jannette found Defendant NFC's website on the Internet and contacted NFC.

16. Jannette spoke with NFC intake counselor Donald Michalski and explained that she was seeking substance abuse treatment for her daughter.

17. Michalski informed Jannette that the Narconon program NFC uses had 70 percent "success rate."

18. Michalski informed Jannette that NFC charged an upfront fee of $25,000.00.

19. Michalski obtained Jannette's insurance information and told Jannette that he had checked on her insurance coverage and that her insurance would reimburse the entire cost of the program at NFC.

20. Michalski pressured Jannette to take out credit cards to pay NFC's upfront fee, telling her that she could pay off the cards with the insurance reimbursement.

21. On or about May 18, 2012, Jannette drove Lauren to NFC's facility in Albion, Michigan.

22. On arriving at the facility, Plaintiffs met Michalski.

23. Plaintiffs noticed L. Ron Hubbard books at the facility and asked Michalski whether the treatment at NFC involved Scientology.

24. Michalski told Plaintiffs that the treatment program at NFC had nothing to do with Scientology.

25. Plaintiffs paid NFC $25,000.00 for drug rehabilitation in two payments.

26. On or about May 21, 2012, Michalski called Jannette to tell her he had learned Jannette's insurance would cover the entire cost of the program.

27. When Lauren entered treatment at NFC, she was placed into the 5-day "detox" portion f the program.

28. The detox portion of the program was merely a separate area from the rest of the treatment program at NFC. Lauren did not see a doctor nor receive a full medical assessment.

29. During the detox portion, NFC took Lauren completely off of her anti-depressant medication.

30. NFC had Lauren undergo the Narconon treatment program as a means of drug treatment.

31. Each patient undergoing the Narconon program receives the same eight course books based on the works of L. Ron Hubbard, founder of the Scientology religion.

32. The materials in the course books are L. Ron Hubbard technology. In Narconon and Scientology, L. Ron Hubbard technology is to be applied *exactly* as written. Accordingly, patients undergoing the Narconon program are not allowed to go beyond or deviate from the "technology" in the Narconon course books.

33. The materials in the eight Narconon course books come directly from Scientology's scriptures.

34. The Narconon course books teach foundational Scientology concepts and doctrines such as the Eight Dynamics of Existence, the Cycle of Communication, the Conditions of Existence, the Suppressive Person doctrine, Overts and Withholds, the A-R-C triangle, and "clearing" words and study "tech."

35. The Narconon course books have patients demonstrate their understanding of Scientology doctrines by, for example, making clay sculptures related to those doctrines.

36. The Narconon program has a sauna and vitamin component known as the New Life Detoxification Program.

37. Narconon's sauna program, the New Life Detoxification Program, is actually a Scientology ritual known as the "Purification Rundown."

38. Completion of the Purification Rundown is a required ritual for practicing Scientologists in order to move up "The Bridge To Total Freedom," Scientology's spiritual journey.

39. Just as Michalski did to Jannette, Defendants routinely advertise that the Narconon program has a more than 70% success rate despite knowing this is false.

40. For example, the Director of Legal Affairs for Narconon International, Claudia Arcabascio, advised the Narconon Freedom Center in Michigan not to claim the high success rate in responding to a Better Business Bureau complaint. Ms. Arcabascio advised Narconon Freedom "do not say we have 70% success (we do not have scientific evidence of it)." *See* email from Ms. Arcabascio, attached hereto as **Exhibit A**.

41. During Lauren's time at NFC she observed NFC staff members engage in romantic relationships with patients.

42. During Lauren's time at NFC drugs were regularly brought into the facility.

43. Narconon documents indicate that the Narconon program is used to recruit patients into the Church of Scientology. For example, a Narconon document titled the "Narconon Technical Line-Up" provides a flow chart of a patient's experience into and through the Narconon program. The document shows that when a patient finishes the Narconon program, the patient is to be "route[d] to the nearest Org for further services if the individual so desires." "Org" is Scientology jargon for an individual church providing services for the Church of Scientology. A copy of the "Narconon Technical Line-Up" is attached hereto as **Exhibit B**.

44. Narconon considers its program to be the "Bridge to the Bridge." That is, Narconon considers its program to be an initial step into getting on Scientology's "Bridge to Total Freedom," the key spiritual journey that practitioners of the Scientology religion undertake. *See, e.g.*, "Narconon News, 1974, Volume 6, Issue 3: Narconon Is The Bridge to The Bridge," attached hereto as **Exhibit C**.

45. Other Narconon centers display tokens of recognition they have received for introducing patients to Scientology through the Narconon program. At Narconon Fresh Start's headquarters in Glendale, California, hangs a plaque from the Church of Scientology that thanks Larry Trahant, Executive Director of Narconon Fresh Start, and "The Narconon Freedom Center Team" for introducing patients to L. Ron Hubbard and "The Bridge." The writing on the plaque provides, in relevant part:

> Larry and his dynamic team at Narconon Freedom Center are hereby warmly thanked and highly commended for their dedication and hard work. They give us tremendous back up in introducing LRH to the world and are saving lives on a daily basis. There are thousands of beings who have taken their first steps on The Bridge, thanks to the compassion and efforts of this team.

A photo of this plaque is attached hereto as **Exhibit D**.

46. Scientology publications show that the Narconon program is part of Scientology's plan to "clear" the planet. (To "go clear" is the ultimate spiritual goal for a Scientologist, achieved after

one goes up the "Bridge to Total Freedom.") The document attached hereto as **Exhibit E**, shows a Church of Scientology, or an "Org" as it's known, with an arrow directed at the Narconon "Jumping Man" logo. The document reads:

> The question is not how to clear an individual, it's how to clear a civilization … by making every one of our orgs a central organization responsible for every sector of Scientology activities across it's [sic] entire geographic zone.

In other words, the Church of Scientology is supposed to direct Narconon to achieve Scientology's spiritual goal of "clearing" the planet.

47. NFC is using the Narconon program to introduce Scientology and L. Ron Hubbard's "technology" to unwitting patients seeking drug rehabilitation. This is exactly as the Church of Scientology directed as part of its "Social Coordination Strategy." Scientology explicitly outlined this strategy in an urgent Executive Directive from the Authorization, Verification, and Correction Department of its Religious Technology Center. The Executive Directive outlining the "Social Coordination Strategy" is attached hereto as **Exhibit F** (hereafter the "SOCO Directive").

48. The SOCO Directive instructed all SOCO GROUPS, which includes Narconon, as follows:

> YOU ARE THERE TO SELL LRH's TECH TO THE SOCIETY AND GET IT USED, AS THE TECH. You do this through a SMOOTH JOB OF PROMTIONAL ORGANIZATION – FRONT GROUPS, CORPORATIONS, FIELD WORKERS, ETC. (emphases in original).

The SOCO Directive expressly directed the use of front groups to introduce L. Ron Hubbard's "technology," *i.e.*, Scientology, to society.

49. On or about July 3, 2012, Plaintiff was suspended from NFC because she tested positive for marijuana.

50. Plaintiff did not return to the facility because the treatment at NFC bore no resemblance to what Plaintiffs had been promised.

51. At NFC, Lauren did not receive any of the treatment Plaintiffs had been promised and for which Plaintiffs paid a substantial sum of money. Instead, Lauren received only Scientology indoctrination.

RELATIONSHIP AMONG DEFENDANTS

52. Plaintiffs incorporate by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs and further alleges as follows:

53. ABLE, NI and Eastern heavily influence NFC and govern and control nearly every aspect of Narconon Freedom Center's business activities.

54. NI publishes operations manuals and requires that individual Narconon centers such as Narconon Freedom Center abide by these manuals in their operations. These operations manuals are called "Running An Effective Narconon Center" and "Opening A Successful Narconon Center."

55. These manuals show that NI, ABLE, and Eastern have the ultimate authority over Narconon Freedom Center employees. Narconon Freedom Center cannot demote, transfer, or dismiss a permanent staff member at Narconon Freedom Center without approval from the Senior Director of Administration at NI.

56. NI, ABLE and Eastern have the ultimate authority over the hiring of staff members at Narconon Freedom Center. If a Narconon Freedom Center staff member does not meet the qualifications of a staff member, the staff member may petition the Senior Director of Administration at NI to remain on staff.

57. If a staff member at Narconon Freedom Center believes she has been given orders or denied materials that make it hard or impossible for her to do her job, she may file a "Job

Endangerment Chit" with the Ethics Department at NI. NI and Eastern then investigate and works to resolve the staff member's issue.

58. The operations manuals require staff members at Narconon Freedom Center to report misconduct and "nonoptimum conduct' to the Quality Control Supervisor at NI. NI and Eastern investigate misconduct at Narconon Freedom Center and may take disciplinary actions against its staff members.

59. NI and Eastern receive ten (10%) percent of the weekly gross income from Narconon Freedom Center.

60. NI requires Narconon Freedom Center to send it detailed weekly reports containing statistics of more than 40 different metrics. NI and Eastern review these weekly reports and order changes at Narconon Freedom Center based on increases or decreases in the statistics in the reports.

61. NI, Eastern, and ABLE require that Narconon Freedom Center receive approval on all promotional materials before NFC disseminates them. Further, NFC must obtain approval as to its Internet websites from NI, Eastern, and ABLE before the sites "go live."

62. NI, Eastern, and ABLE also assist in creating Narconon Freedom Center's advertising materials. NI, Eastern, and ABLE dictate the contents of those advertising materials.

63. NI requires that Narconon Freedom Center maintain a "building account fund" in which weekly monies from the gross income are used to purchase new premises and also as a cushion to salvage the organization in dire circumstances. The "building fund" is under the control of NI.

64. NI, Eastern, and ABLE conduct "tech inspections" at Narconon Freedom Center. These inspections entail NI, Eastern, and ABLE monitoring and correcting the manner in which Narconon Freedom Center delivers the Narconon treatment program to patients at NFC. NI, Eastern, and ABLE instruct staff at NFC as to the exact manner in which they are to perform their services and deliver the Narconon treatment program.

65. NI and ABLE also publish all training materials for Narconon Freedom Center.

66. This includes seven different training materials on subjects ranging from the Narconon sauna program to overseeing to delivering the Narconon treatment program.

67. NI, Eastern, and ABLE micro-manage individual Narconon centers such as NFC to such a large extent that they publish the exact materials authorized to be sold in an individual Narconon center's bookstore.

68. Further, the NI Director of Technology and Approval demands and ensures that there are good photos of L. Ron Hubbard visible in every center and that materials are available to students and staff as to L. Ron Hubbard's contributions in the field of alcohol and drug rehabilitation.

69. NI, Eastern, and ABLE work with individual Narconon centers such as NFC on legal problems, including patient requests for refunds and complaints to the Better Business Bureau. In addition, NI, Eastern, and ABLE work to combat negative publicity for NFC.

70. NI, Eastern, and ABLE are intimately involved in the day-to-day operations of Narconon Freedom Center. NI, Eastern, and ABLE have the final authority over all decisions at Narconon Freedom Center relating to hiring and firing, delivery of services, finances, advertising, training, and general operations.

71. NI, Eastern, and ABLE use the Narconon program to recruit for and promote the Scientology religion under the guise of providing drug rehabilitation.

72. NI, Eastern, and ABLE all are principals served by their agent, NFC.

FIRST CLAIM FOR RELIEF

BREACH OF CONTRACT

73. Plaintiffs incorporate by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs and further allege as follows:

74. Plaintiffs and Defendants were bound by a Contract whereby Defendant agreed, in exchange for consideration, to provide secular, residential drug and alcohol treatment to Lauren Prevec.

75. Defendants breached this contract by, *inter alia*: (i) failing to provide services constituting drug and alcohol treatment; and (ii) providing Scientology in lieu of drug and alcohol treatment.

76. Defendants' breaches have caused Plaintiffs to suffer damages in excess of $75,000.00.

SECOND CLAIM FOR RELIEF

BREACH OF IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING

77. Plaintiffs incorporate by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs and further allege as follows:

78. The contract Plaintiffs entered into with Defendants for Defendants to provide treatment to Lauren Prevec contained an implied covenant of good faith and fair dealing.

79. Defendants acted unfaithfully to the purpose of the contract and Plaintiffs justified expectations by, *inter alia*: (1) having Lauren Prevec unwittingly study and practice Scientology in lieu of engaging in drug treatment; and (2) attempting to have Lauren Prevec surrender her legal rights in exchange for services for which Plaintiffs had already provided consideration.

80. As a consequence of Defendants' breaches, Plaintiffs have suffered damages.

THIRD CLAIM FOR RELIEF

CLAIMS UNDER MICHIGAN CONSUMER PROTECTION ACT

81. Plaintiffs incorporate by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs and further allege as follows:

82. By reason of Defendants' actions complained of herein, Plaintiffs are victims of consumer fraud.

83. Defendants have engaged in numerous deceptive trade practices against Plaintiffs under M.C.L.A. § 445.903.

84. Defendants advertised substance abuse treatment services with the intent not to sell those services as advertised, but provided Scientology instead.

85. Defendants knowingly made false representations about the Narconon treatment program's success rate.

86. Defendants used a "bait and switch" scheme whereby Defendants advertised extensive substance abuse counseling and then delivered only Scientology teaching and dangerous Scientology rituals.

87. Defendants failed to disclose material facts to Plaintiffs about the services Defendants were selling such as the fact that Defendants' "treatment" program consisted of Scientology doctrines and practices.

88. Defendants made assertions of scientific, clinical, or quantifiable fact without having appropriate evidence such as Defendants' assertions of its 70% "success rate" for its treatment program and Defendants' claims that the New Life Detoxification Program can reduce or eliminate drug cravings.

89. Plaintiffs have been the victims of Defendants' deceptive trade practices listed above and, as a result, have lost more than $25,000.00 and Plaintiff Lauren Prevec was deprived of the opportunity to receive genuine substance abuse treatment.

90. Defendants' deceptive trade practices are likely to continue without court intervention.

91. Plaintiffs are entitled to all available relief under the Michigan Consumer Protection Act including Plaintiffs' reasonable attorney's fees and costs of this action, Plaintiffs' damages, and an injunction restraining Defendants from further engaging in the deceptive trade practices complained of herein.

FOURTH CLAIM FOR RELIEF

FRAUD

92. Plaintiffs incorporate by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs and further allege as follows:

93. On or about May 15, 2012, Donald Michalski, acting within the scope of his employment at NFC, made the following knowingly false statements to Plaintiffs: (i) that the Narconon program has a 70 % "success rate;" and (ii) that the Narconon program had nothing to do with Scientology.

94. Had Plaintiff Jannette Prevec known these representations were false she would not have admitted her daughter to NFC for treatment nor paid Defendants a substantial sum of money.

95. Plaintiffs justifiably relied on these false statements.

96. As a proximate result of Defendants' fraudulent conduct, Plaintiffs have suffered damages in excess of $75,000.00.

DEMAND FOR JURY TRIAL

Plaintiffs demand a jury trial on all issues triable.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs prays for the following relief:

A. Judgment in favor of Plaintiffs and against Defendants for damages in such amounts as may be proven at trial;

B. Compensation for special, general, and treble damages;

C. Reasonable attorney's fees and costs of suit;

D. Interest at the statutory rate;

E. Punitive or exemplary damages against Defendants; and

F. Injunctive relief prohibiting Defendants from further engaging in deceptive trade practices.

DATED: January 14, 2015

/s/ Jeffrey P. Ray
Jeffrey P. Ray (P31098)
Attorney for Plaintiffs
JEFFREY P. RAY, P.C.
2500 Lake Lansing Road, Suite A
Lansing, MI 48912
(517) 372-5700
jeff@otisraylaw.com